

Appl. Ser. No. 09/891,945

Amendments to the Specification:

Please replace the paragraph beginning at page 1, line 6 with the following rewritten paragraph:

In stock trading and other financial instrument trading markets, a trader may buy and sell instruments on behalf of a number of different clients and/or investment portfolios. When a trader transacts a trade, the number of instruments traded may not satisfy an outstanding trading demand for the clients or portfolios. In such a situations, there may be a need to allocate the instruments that are traded among the waiting clients or portfolios. Manual allocation of a trade can be a complex and time consuming process. Consequently, computer automated allocation of a trade is desirable. One solution to allocating a traded instrument is to include functionality in an Order Management System (OMS) to perform trade allocation. However, in existing OMSs, trade allocation features may be lacking or inadequate. One solution to this problem is to modify OMS software to add desired allocation features. As a practical matter, such modification may not be feasible. For example, software code for an OMS may be under control of a vendor and not modifiable, or a trading network may include a variety of different OMSs and, due to cost or other concerns, modification of each of the OMSs may not be possible. Consequently, non-OMS based trade allocation solutions are desirable.

Please replace the paragraph beginning at page 3, line 11 with the following rewritten paragraph:

Appl. Ser. No. 09/891,945

Allocation Manager (AM) is a trading system component that can automatically allocates a trade of a financial instrument among multiple investment portfolios. For example, a trader may purchase 100 shares of a stock "MYSTOCK" (a fictional stock ticker) and Allocation Manager may automatically allocate 60 shares from this trade into a first portfolio, and the remaining 40 shares into a second portfolio. Allocation manager can allocate a trade among multiple portfolios using classification assigned to the trade and associated with each portfolio. In the implementation described herein, Allocation Manager performs trade allocation based on a risk classification (a "risk class") that can reflect an investment strategy associated with a portfolio. Other classifications can also be used (e.g., trade or portfolio-size based classifications, trade volume-based classifications, industry segment classifications, etc.).

Please replace the paragraph beginning at page 6, line 19 with the following rewritten paragraph:

Fig. 2 shows a Common Object Request Broker Architecture (CORBA)-based implementation of an Allocation Manager. CORBA is a vendor-independent software component and messaging architecture and infrastructure that computer applications can use to work together over networks. A CORBA-based software architecture, along with the use of the associated Internet Inter-Operability Protocol (IIOP) standards, can facilitate communication between program independent of the type of computer, operating systems, programming language, and network in use by each program. The AM implementation 200 partitions functionality among a server 220 and a client 210

Appl. Ser. No. 09/891,945

component. The server component 220 processes trade related data while the client component 210 can interact with the server component to monitor the operation of the server 220 and to configure the server's operation (e.g., by provisioning data, setting limits, etc.). The use of a CORBA-based architecture, as well as partitioning of AM functionality between separate server and client components, is optional. Other software architectures (e.g., a Microsoft Distributed COM or COM+ architecture or a proprietary architecture) may be used.

Please replace the paragraph beginning at page 10, line 29 with the following rewritten paragraph:

The target ratios for a particular risk class can be calculated based on the free capital available in each investment portfolio that is a member of that risk class. The ratios for each risk classes sum to 100%, thus ensuring that a trade is completely allocated among relevant portfolios.

Please replace the paragraph beginning at page 23, line 1 with the following rewritten paragraph:

When a trade (e.g., a sell transaction) results in change from a long to a short position, that trade is processed by the Allocation Manager as if it consists of both a closing transaction and an opening transaction. The closing portion of the transaction reduces the position in each fund to zero (i.e., flat). The opening portion of the transaction in accordance with the rules explained above. Similarly, a buy transaction that results in a change from a short to a long position is treated as consisting of both a

Appl. Ser. No. 09/891,945

closing transaction and an opening transaction. The closing transaction increases the position in each fund to zero (i.e., flat). The opening transaction then creates a long position.

Please replace the paragraph beginning at page 24, line 4 with the following rewritten paragraph:

In some implementations, amendments and corrections may be automatically generated or electronically received at an interface from, e.g., an interface to another broker's system (an external broker interface). Electronic amendments may be transmitted to the Allocation Manager on an intra-day basis. When a modification or correction message is received at an external broker interface, that message may be processed at the OMS. The OMS processing may include, e.g., locating the OMS ID that was assigned to the original trade. The original trade's data may be updated in the OMS database and a FIX message may be transmitted to the Allocation Manager to amend the trade. At the Allocation Manager, the electronic amendment message can be matched to the multiple allocated trades (using the OMS ID) and cancel messages generated for each allocated trade. The cancel messages are transmitted from the Allocation Manager to the Accounting System.

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